



MEMORANDUM

STATE OF ALASKA

Department of Natural Resources

Commissioner's Office

TO: Leo von Scheben,
Commissioner, ADOT&PF

DATE: March 19, 2007

TELEPHONE: (907) 269-8428

FROM: Tom Irwin
Commissioner

SUBJECT: Changes to STIP

I would like to ask that you consider the following in the 2006-2009 Statewide Transportation Improvement Plan (STIP) as far as it involves the Recreational Trails Program (RTP) administered by DNR through the Division of Parks and Outdoor Recreation.

I would like you to look at change in the funding allocation for the RTP, Need ID 12259, which would increase the FFY08 total allocation limit to DNR from \$750K to \$1,000,000. As you probably know this program provides funding for various small recreational motorized and non-motorized trail projects statewide.

As I said above this program is administered through DNR's Division of Parks and Outdoor Recreation for reimbursable grants on trail development projects. Like other federal aid programs, the RTP is subject to an annual obligation limitation as determined by Congress through annual appropriations acts. Because federal transportation bills such as SAFETEA-LU typically cover funding for six years, I believe the purpose of the annual obligation limitation is to prevent states from spending apportionments too quickly. However, as specified in law, the Federal Highway Administration allocates obligation limitation in one sum to each state's Department of Transportation (DOT). I am told that this means in our situation that DNR must negotiate with you to provide obligation authority for the program.

As I understand, the negotiation obligation authority for the RTP has been done on an ad-hoc basis rather than through a formal agreement at the commissioner level. The annual obligation authority that DOT&PF provides to DNR has typically been about 70% of the annual RTP apportionment. Because DOT&PF cannot arbitrarily transfer these apportioned funds to other programs unless they receive permission from DNR, I am told that the balance of unobligated RTP funds has been growing into the millions of dollars.

In Federal Fiscal Year (FFY) 06, the RTP received \$1,030,817. DOT&PF set the grant program limit at \$750,000 or roughly 73%. In FFY 07, the RTP received \$1,114,444

with the grant program limit once again at \$750,000, or 67%. The remaining funds apparently now sit unused and unobligated.

I would like to encourage our two agencies to work out an arrangement whereby DNR would receive the pro rata obligation limitation that DOT&PF receives for its overall federal aid obligation authority, which is typically between 85% and 90% of your annual apportionment. I believe a \$1,000,000 funding limit would utilize the federal money more efficiently and provide the greatly needed trail construction and maintenance for which these funds are intended. Even more important to DNR, it would permit us to address more of our deferred maintenance needs on trails within the State Park system, which is one of our highest priorities.

Working with your department, we have built this program into a very viable grant process with private, public, and governmental agencies benefiting from the funding. The statewide Alaska trail system is seeing substantial improvements, but so much more is needed. Please take a look at what I am asking and let me know if this is doable. Thanks.